



May 11, 2005

TSX: SHN.UN

NEWS RELEASE FOR IMMEDIATE RELEASE

SHININGBANK ENERGY ANNOUNCES CORPORATE ACQUISITION

Shiningbank Energy Income Fund today announced that it has entered into an agreement to acquire all of the outstanding shares of Outlook Energy Corp. ("Outlook") a private Canadian company for \$32.4 million. Outlook's properties include a mix of gas focused, operated and non-operated interests in west-central Alberta. The principal properties are located in the Minnehik, Alexander, and Nelson areas of Alberta. The properties are adjacent to a number of Shiningbank's existing operations at Pembina, Alexander, and Penhold. Proved plus probable reserves total 1.7 million barrels of oil equivalent (boe), 95% of which is natural gas. Current production from the properties is approximately 650 boe per day consisting of 3.7 MMcf/d natural gas and 35 bbl/d of oil and NGL

Completion of the transaction is subject to certain regulatory and other conditions and closing is expected to occur in late June, 2005. The transaction will be financed with debt drawn from Shiningbank's existing line of credit.

Highlights

- Total cost of the acquisition is \$32.4 million including the assumption of \$2.0 million in debt and working capital deficiency
- Acquisition cost equates to \$19.20/boe for proved plus probable reserves and \$49,850 per flowing boe
- Proved plus Probable reserve life index of 7.0 years
- Approximately 65% of the reserves are proven
- Approximately 95% of the production is sweet natural gas
- Significant development opportunities exist on the approximate 6,000 net acres of undeveloped land

Impact on Unitholders

The acquisition is expected to be accretive to per unit cash flow over the coming year and provides many opportunities to further enhance value through production optimization, operating synergies and development drilling. Shiningbank's debt to cash flow ratio will move to approximately 1.2 predicated on a 2005 gas price of C \$7.00/mcf and an oil price of US\$45.00/bbl.

Reserves and Production

Outlook had a reserve evaluation prepared by independent engineers as at December 31, 2004. There was a high level of activity in Q1 2005 on Outlook lands, most of which was not included in the year end evaluation. Those additions have been included in the following reserve estimates prepared by Shiningbank.

Shiningbank estimates at April 1, 2005 (Outlook Share)

	Oil (mbbls)	Natural Gas (bcf)	NGL (mbbls)	Oil Equivalent (mboe)
Total Proved	17.0	6.20	30.2	1,080
Proved plus Probable	22.2	9.64	59.1	1,687

Major Properties & Current Operations

Outlook's asset base consists of a concentrated group of properties located in west-central Alberta. Approximately 50% of the production comes from the Minnehik area adjacent to Shiningbank's existing operations. Other major properties include Alexander and Nelson, together accounting for approximately 30% of production.

Current projects include 6 development drilling locations (2.39 net), 3 of which are operated by the company. Also planned in second quarter 2005 are 2 completion operations (0.49 net), tie-in of 2 new wells (0.47 net) from the first quarter development program, and a number of facility and gathering system projects to optimize the existing infrastructure. Operations on a number of the above facility projects have commenced and drilling operations are expected to commence in May as surface conditions permit.

All of the natural gas production is uncontracted, and operating costs are reasonable at under \$7.00 per boe. The major properties contain a significant number of development opportunities, most of which are not reflected in the above reserve estimates. Shiningbank plans to enhance its existing development drilling program with the addition of the Outlook assets.

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Shiningbank Energy Income Fund is a conventional oil and gas royalty trust listed on the Toronto Stock Exchange under the symbol SHN.UN.

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